

Budget Update

March 19, 2008

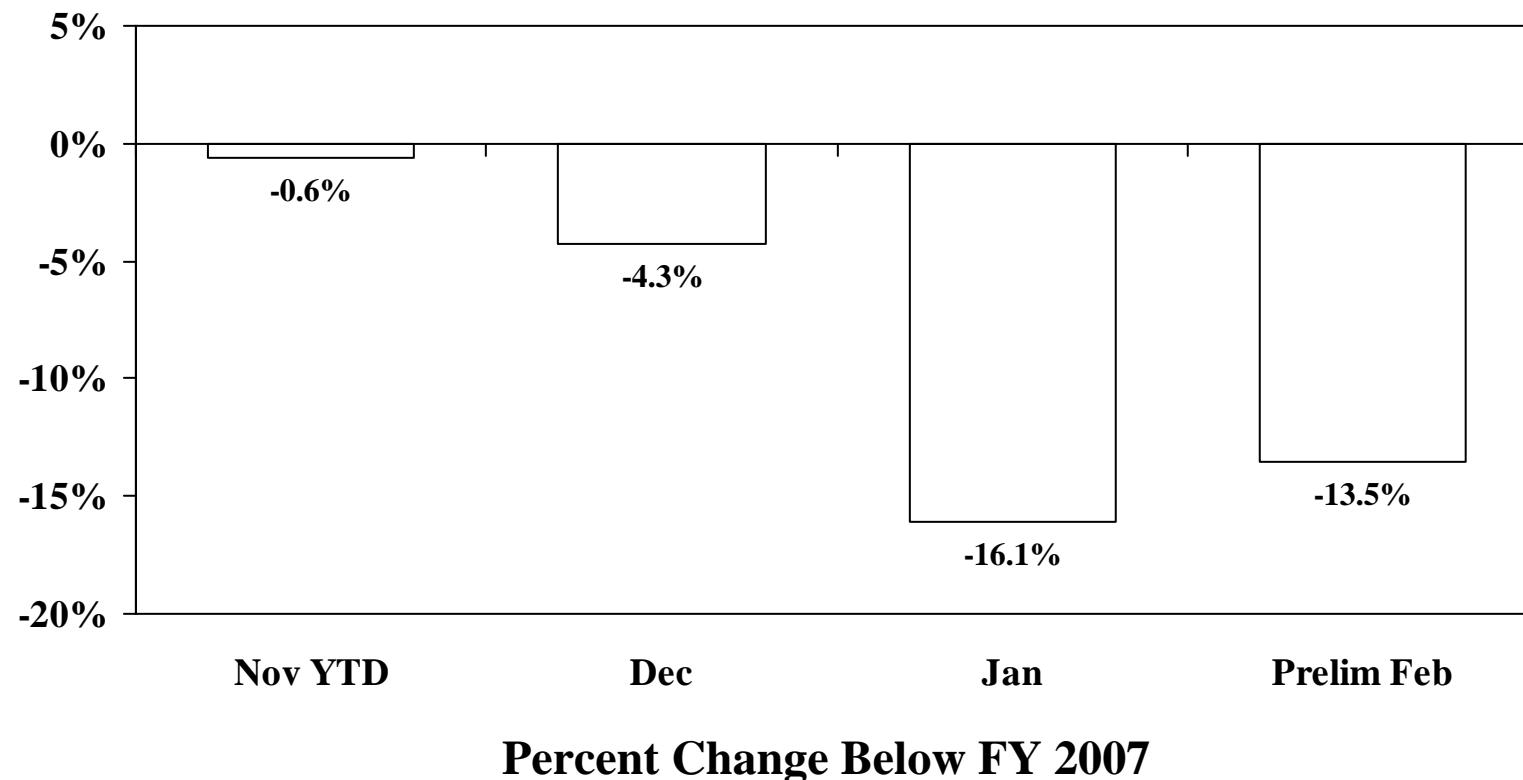
JLBC

Revenue Update

JLBC

Revenue Collections Have Declined Dramatically

- February Year-to-Date Decline = (4.2)%
- January Drop Largest Since April 2002

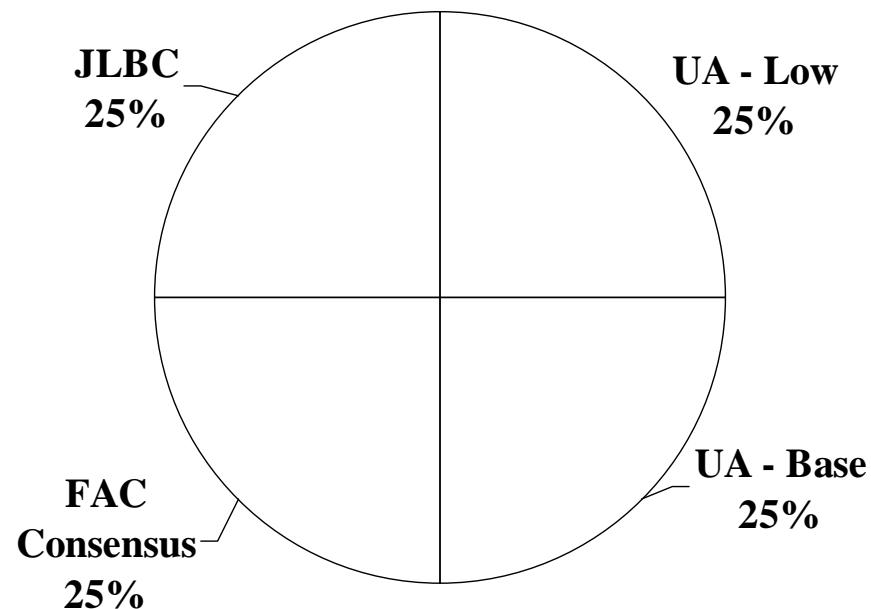


Where Are We Headed Over the Next Few Years?

- Four-Sector Consensus Forecast Incorporates Different Economic Views, Including the FAC

4-sector forecast equally weights:

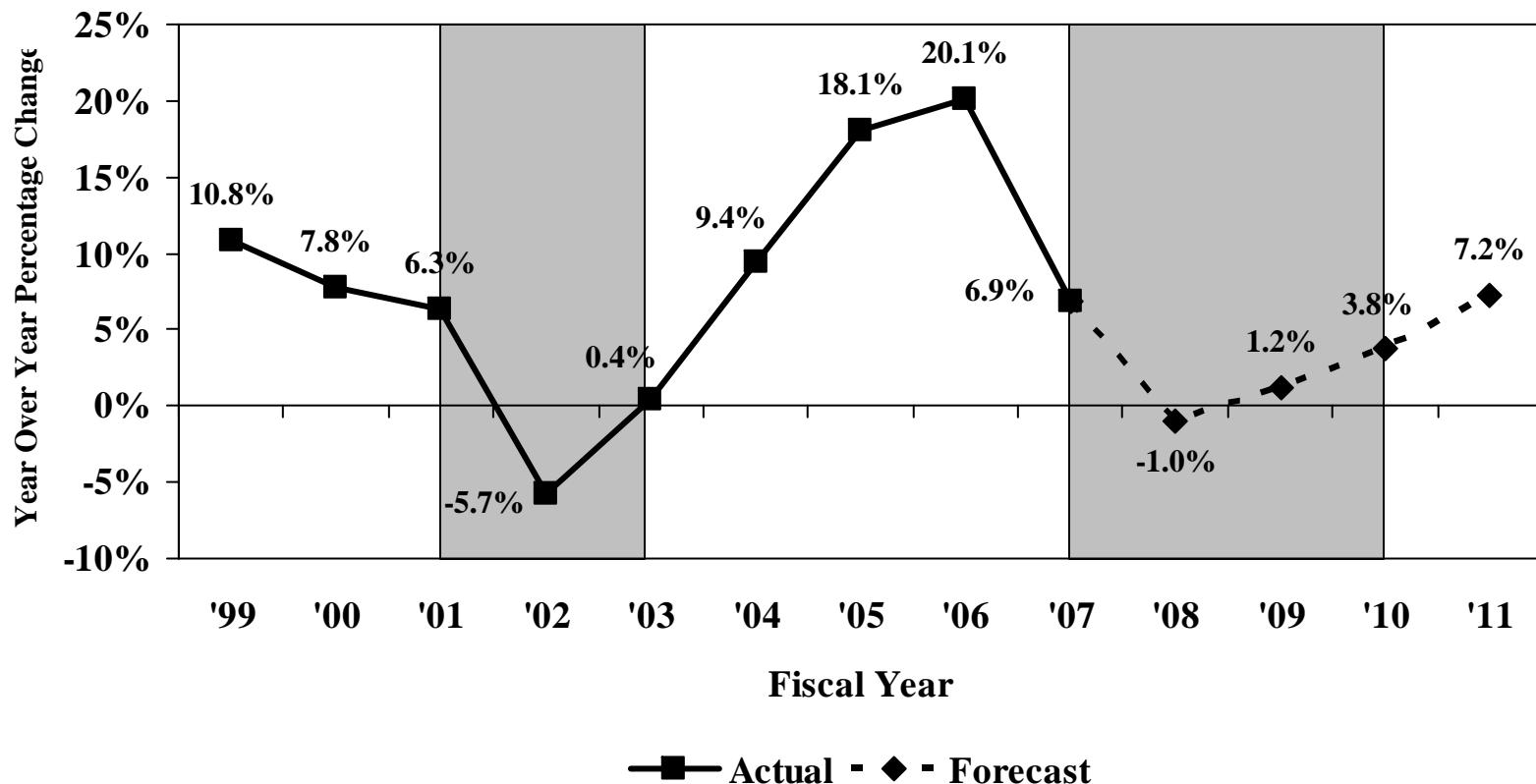
- FAC average
- UofA model - base
- UofA model - low
- JLBC Staff forecast
- Remaining revenues (3% of total) are staff forecast



* Includes Big 3 categories of sales tax, individual income and corporate income taxes.

Growth Remains Slow Until FY 2011

- March 4-Sector Consensus Forecast



Impact on Cash Shortfall of:

- (1.0)% FY '08 Revenue Decline**
- 1.2% FY '09 Revenue Growth**

- FY '08 shortfall grows from \$970 M to \$1.2 B.
 - Plus potential shortfall increase of \$100-\$200 M.
- FY '09 shortfall grows from \$1.7 B to \$1.9 B
 - Reduced by any permanent '08 solutions.

Debt Service and Long-Term Expenditures

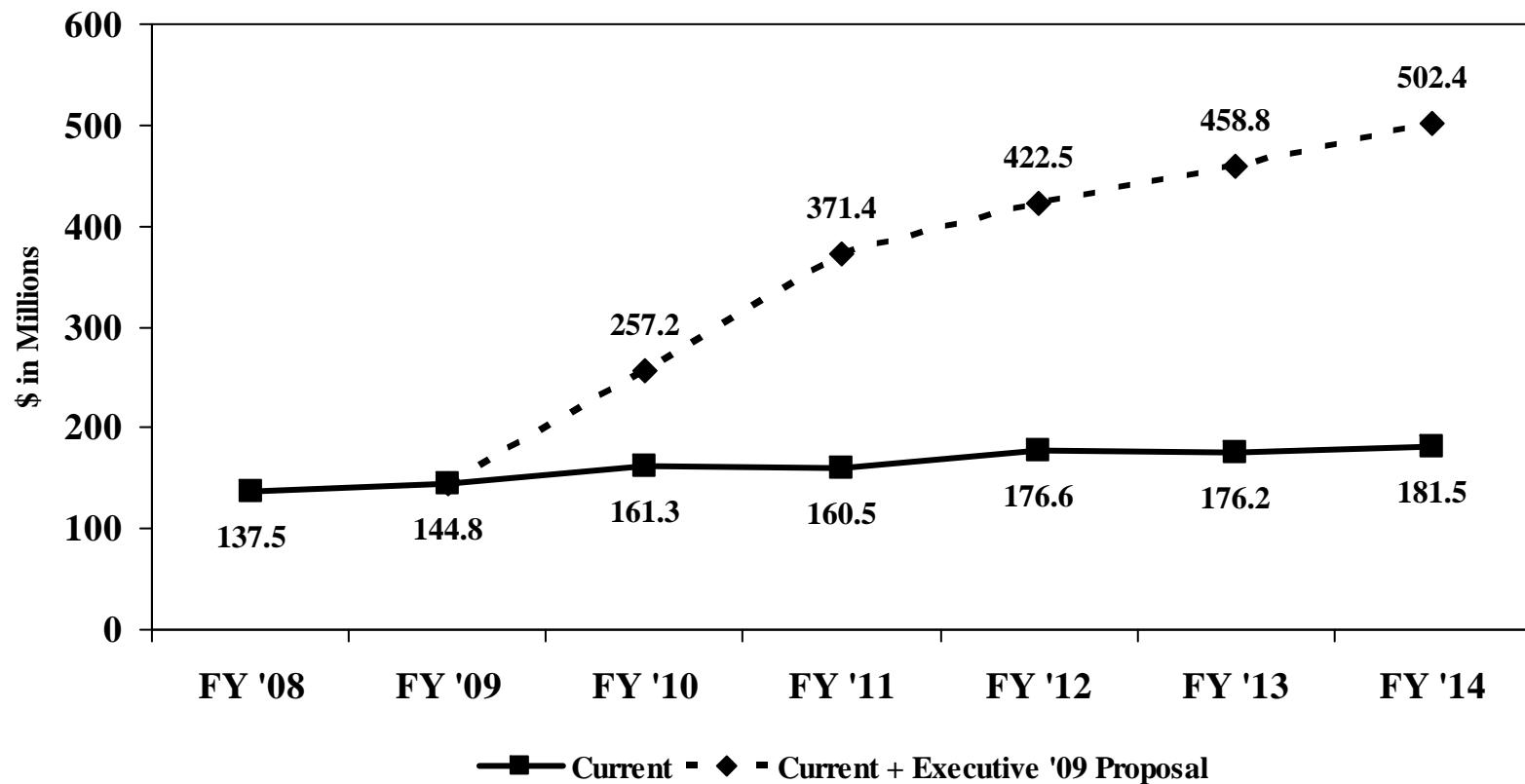
Chairmen's Questions

- What are projected debt service payments under current law and Executive proposal?
- What is current outstanding debt and debt under Executive proposal?
- What are long-term revenues and expenditures?

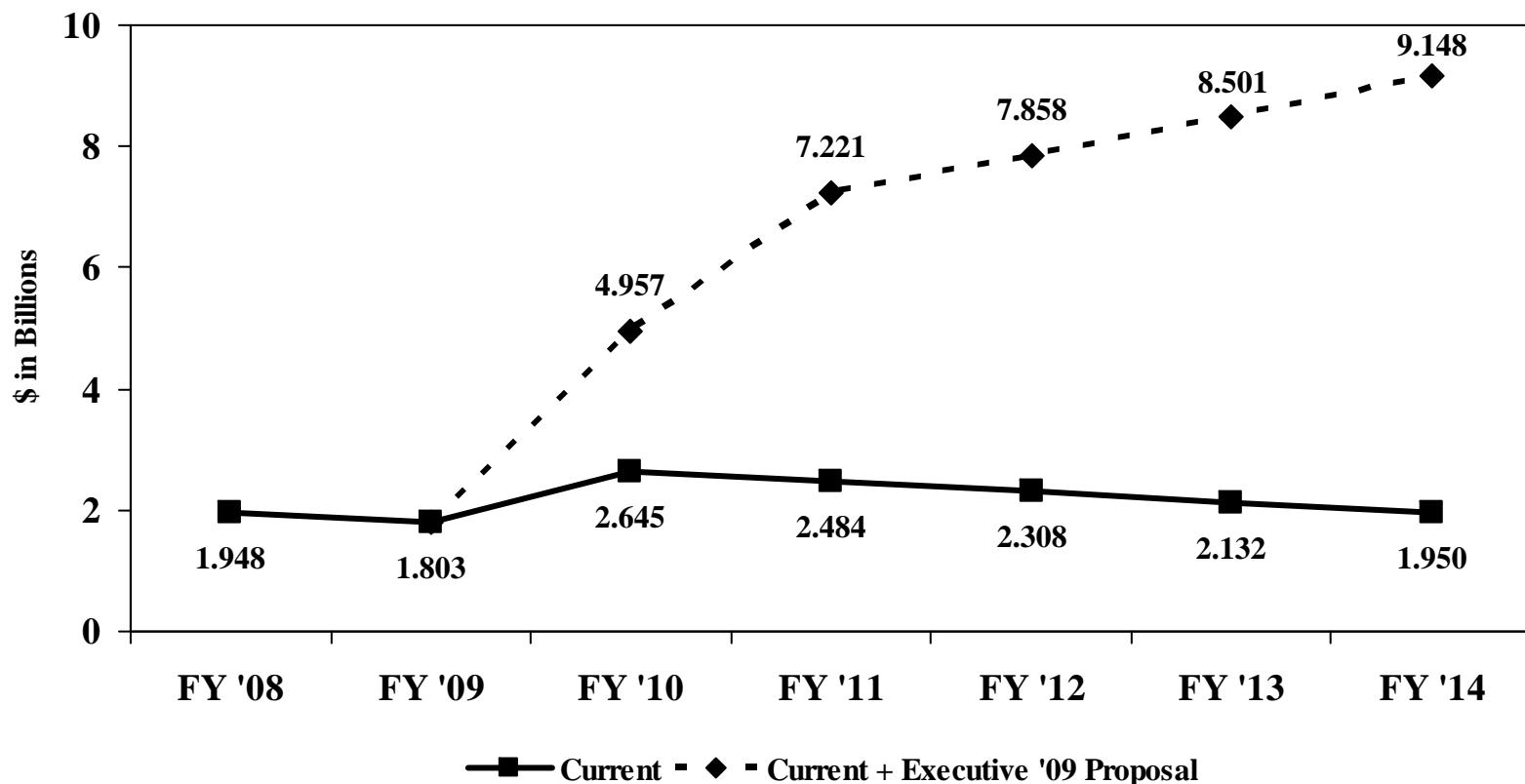
Executive Debt Financing Proposal = \$2.2 B

	<u>\$ in M</u>
FY '08 SFB	\$ 362
FY '09 SFB	382
University Buildings and Maintenance	967
Phoenix Medical School	470
Public Safety Communications	50
Emergency Operations Center	7
Total	<hr/> \$ 2,238

General Fund Debt Service Payments



General Fund Outstanding Debt



General Fund Expenditures Through FY '11

